

**TOWN MANAGER**  
Ken Deal

**TOWN CLERK**  
Pamela Mills

**TOWN ATTORNEY**  
Tom Brooke



**MAYOR**  
Charles Seaford

**TOWN COUNCIL**  
Don Bringle  
Arthur Heggins  
Brandon Linn  
Rodney Phillips  
Steve Stroud

**TOWN OF CHINA GROVE**  
**A regular meeting of the China Grove Town Council**

**Tuesday, February 2, 2021**  
**6:00 p.m.**

**China Grove Town Hall**  
**China Grove, North Carolina**

**CALL TO ORDER**

Mayor Seaford called the regular meeting of February 2nd, 2021 to order. He led us in the Pledge of Allegiance.

Mayor Seaford called roll. All council members were present with the exception of Mr. Linn. There was a quorum.

Mr. Phillips made a motion to adopt the agenda. Mr. Stroud seconded the motion, which carried unanimously.

Consent Agenda items:

- a) Approve Minutes from January 5th, 2021 regular meeting
- b) Adopt the Economic Development Investment Policy

Mr. Heggins made a motion to approve the consent agenda. Mr. Phillips seconded the motion, which carried unanimously.

**CITIZENS COMMENT**

Lee Withers – 900 Patterson Street

He stated he noticed the agenda did not include a proclamation for Black History month and presented Rowan County's proclamation. He stated the town has always done it in the past. He stated he received a call from a developer who was concerned about how the Board has turned down two residential developments in the past couple of years. He stated if the developer would bring jobs to the community where would these individuals be able to live. He stated he would encourage the Board to consider residential development so if these jobs do come to our community these people will also have a place to live.

Mayor Seaford read several letters he received from students from Knollwood Elementary and a resident thanking the Board, Town and Police Department for their hard work.

**PUBLIC HEARING**

- I) Rowan County Tax Parcel 117 036 Annexation

Mr. Gover stated all the documentation for the voluntary annexation for 1419 North Main Street, China Grove, NC 28023 have been received.

Mayor Seaford opened the Public Hearing.

Mayor Seaford closed the Public Hearing.

Mr. Phillips made a motion to adopt Ordinance 2021-01 to annex 1419 North Main Street, further referenced as Rowan County Tax Parcel 117 036 into the corporate limits. Mr. Heggins seconded the motion, which was carried unanimously.

## **NEW BUSINESS**

### **I) FY 19/20 Audit Review**

Mr. Honeycutt stated the firm performed the audit and financial statements. He stated on pages 1-3 are the audit report. He stated under the opinions section, the financial statements are correct and accurate as presented. He stated on pages 4-14 is the management discussion and analysis. He stated at the end of the current fiscal year the towns unassigned fund balance is \$2,054,434.00 which is 53.7% of total general fund expenditures. He stated in theory the towns unassigned fund balance could cover half the year if there was no revenue. He stated page 15 starts the financial statement portion of the document and shows the statement of net positions. He stated this section shows the long-term liability and towns debt. He stated on page 17 is the balance sheet for government funds. He stated on page 19 is the statement of revenues, expenditures and changes of the fund balance. He stated on page 22 begins the notes to the financial statements. He stated on page 25 is the restricted assets and restricted cash. He stated on page 30 is a chart of capital assets. He stated starting on page 31 is the detail about the local government employee retirement system. He stated starting a couple of years ago we had to start recording a pension liability. He stated the number is based on the number of staff and age of staff. He stated it is a potential future liability. He stated that liability is shown on page 34. Mr. Deal stated this is one of the most difficult liabilities to understand. Mr. Honeycutt stated another pension liability is on page 36, the law enforcement special allowance. He stated on pages 41-43 shows the debt of the town, and page 43 is the changes in long-term liabilities. He stated page 45 shows the liability for the past 7 years. He stated the bulk of the town's revenue comes from property tax and sales tax. He stated on page 58 is an analysis of the current tax levy. He stated the total collection percentage is 97.31%. He asked the Board if they had any questions and thanked them for allowing him to come.

Mr. Stroud asked if the numbers presented for pension liability is what would cost the town. Mr. Deal stated every government has this same issue. He stated the state tells us what we have to charge and pay. Mr. Honeycutt stated the attempt is to get to a real number the town can operate off of. He stated how the town will pay it back would be through an increase in rates that we are required to pay to the state. He stated it is a liability that is paid over time.

## **OTHER BUSINESS**

### **I) TAC Alternative Nomination**

Mr. Deal stated Mr. Linn asked to step down from being the TAC alternative due to job interference. He stated the Board would need to nominate an alternative.

Mr. Stroud made a motion to appoint Mr. Heggins as alternate to the TAC. Mr. Phillips seconded the motion, which carried unanimously.

## **COUNCIL UPDATES**

Mayor Seaford stated he attended the MPO meeting on zoom last Wednesday. He stated the Secretary of Transportation is looking into where all our gas sales taxes are going. He stated he brought up his concern on the towns road conditions and the fact that the Powell Bill money we are getting is not enough to keep up with maintenance.

## **CLOSED SESSION**

### **I) Economic Development – General Statute 143-318.11. (a) (4)**

Mr. Phillips made a motion to go into Closed Session at 6:35 pm pursuant to NC General Statute 143-318.11(a)(4) to discuss Economic Development. Mr. Heggins seconded the motion, which carried unanimously.

There was no action taken.

Mr. Stroud made a motion to come out of Closed Session at 6:52 pm. Mr. Bringle seconded the motion, which carried unanimously.

## **ADJOURNMENT**

Mr. Stroud made a motion to adjourn. Mr. Bringle seconded the motion, which carried unanimously.

**Respectfully Submitted,**

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**Pamela L. Mills, CMC**  
**Town Clerk**

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**Charles Seaford**  
**Mayor**